NEWFOUNDLAND & LABRADOR

Tourism Marketing Council

Strategic Marketing Plan
2004-2008

September 22, 2004

Letter from the Chairperson

The establishment of the Newfoundland and Labrador Tourism Marketing Council (NLTMC) marks a new era of partnership and cooperation for the province's tourism industry. Since its inception the Council, consisting of thirteen industry leaders and two representatives from government, has undertaken a detailed strategic planning process that has consisted of extensive information gathering and several planning sessions. Through its strategic planning process, the Council has developed its first proposed strategic marketing plan and is pleased to present it to the Minister of Tourism, Culture and Recreation for endorsement.

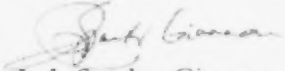
The purpose of this plan is to communicate the vision and responsibilities of the partnership between industry and government, and to identify the key strategic priorities for the next 5 years. Those strategic priorities are:

- Focus on obtaining market research and information to support effective marketing decision-making and evaluation of results;
- Champion consistent promotion of the Newfoundland and Labrador brand as a means to "sell the destination Newfoundland and Labrador first";
- Use the internet to enhance and extend our market reach and to position Newfoundland and Labrador as a compelling and unique destination;
- Expand the Newfoundland and Labrador tourism season to increase the economic benefit; and
- Establish strategic partnerships to integrate tourism marketing efforts to maximize impact for all stakeholders.

These strategic priorities provide guidance for future planning and the development of tourism marketing initiatives. The strategic plan will guide the actions, activities and programs of all partners including governments, industry and other stakeholders.

The Council believes that industry stakeholders must be engaged to realize the full potential of our vibrant tourism industry. Tourism operators and stakeholders have participated in the discussion and development of this comprehensive plan. The combined industry expertise of the Council and future consultations will provide the bases and the input necessary for the development of our industry-led comprehensive marketing plan for 2005.

Sincerely,



Judy Sparkes Giannou
Chair
Newfoundland and Labrador Tourism Marketing Council

NLTMC Vision

To be globally recognized as a uniquely exotic, multi-season tourism destination that realizes Newfoundland and Labrador's full tourism potential.

NLTMC Mission

The Newfoundland and Labrador Tourism Marketing Council (NLTMC) influences tourism marketing investments that increase visitations and revenue to the province.

Council Members

Council Chair:
Judy Sparkes-Giannou
President, Maxxim Vacations

Bart Philpott
President, Baie Vista Inn Ltd.

John Fisher
Co-owner/President, Fisher's Loft Inn

Cathy Lomond
Owner, Hotel Port aux Basques

Roger Jamieson
President/Owner, Kilmory Resort

Cathy Duke
President, Sports Villas Resort, Inc.

Debbie E. White
Former Co-owner, Spruce Pine Acres Country Inn

David Snow
Owner/President, Wildland Tours

Gudrid Hutchings
Owner/Operator, Rifflin' Hitch Lodge

Sue Rendell
Owner/Operator, Gros Morne Adventures

Tineke Gow
Owner/Operator, Campbell House B &B Retreat and Artisan Inn

Mark McCarthy
President, McCarthy's Party Ltd.

Stelman Flynn
President, Seaview Restaurant and Cabins

Carmela Murphy
Director, Tourism Marketing Division, Department of Tourism, Culture and Recreation

Vic Janes
Assistant Deputy Minister, Tourism, Department Tourism, Culture and Recreation

Situational Analysis

Newfoundland and Labrador has a great future in tourism. The province is being discovered again, this time as a unique, in fact an exotic, tourism destination. This rediscovery phenomenon has been growing across Canada for a number of years and is now spreading across the United States as well. And, it is not just the outdoor adventure enthusiasts, it is also people looking for a unique touring destination, or a different kind of place to have a meeting. They are coming to enjoy the unique culture and heritage of the people who live here or are seeking out the entertainment that Newfoundlanders and Labradorians have made into their own art form.

Newfoundland and Labrador is one of the most unique tourism destinations in the world. Its natural attractions, its cultural heritage, and its people are outstanding assets, representing a competitive and unique selling proposition. The province has experienced a steady growth in visitation and future prospects for growth are encouraging.

The anticipated growth will be spurred by the largest travel market consisting of baby boomers who are now retiring and looking for new places to go. Travellers are looking for new, exotic and different experiences and the well-travelled visitor has high expectations for the experience they will find at a destination. Quality service and hospitality are critical. While many of today's travellers are prepared to spend, they also expect value for their money. Greater emphasis will be required to ensure tourism businesses are market ready to meet the needs of the demanding, sophisticated travellers.

Increasingly, the internet is becoming more important to travellers in seeking out destinations of interest in researching and planning their trips and in making bookings and trip purchases. The internet revolution is by no means over; it is still heating up.

However, a number of challenges exist. While air access issues have improved, there are continuing issues regarding the cost, capacity and quality of ferry access. Though improving, development is required for additional and improved tourism products and the infrastructure expected by visitors. Tourism activity continues to be highly seasonal and creative product development and marketing to support an extended season will be critical for increasing the viability of the tourism industry.

Becoming a successful tourism destination involves a sustained and consistent effort over time. The competition for tourists is great and the timeline of building demand is gradual and long. Effective tourism marketing strategies require sustained investments of financial and human resources. However, even with recent increases to the provincial tourism marketing budget, the

total available budget is insufficient to target a large number of different markets. The true key to success with limited resources is concentrating effort in fewer, proven markets to reach a critical mass.

The future prospects are bright, but harnessing potential will require the focused, coordinated efforts of Newfoundland and Labrador Tourism, and its industry stakeholders.

Target Markets

The NLTMC has confirmed the following target markets:

The primary market for Newfoundland and Labrador is the **touring and explorer market.** In 2004, the "touring market" was expanded to the "**touring and explorer market**" to better define the true characteristics of the Newfoundland and Labrador visitor. The Newfoundland and Labrador visitor are leisure tourists who participate in both sightseeing and soft adventure activities. They seek a vacation that includes a broad range of activities, a mixture of experiences based upon the province's diverse blend of significant cultural heritage, soft adventure, and nature viewing experiences. They enjoy cultural activities including shopping, dining, visiting museums, art exhibits, and historic sites. They enjoy outdoor and soft adventure activities, such as hiking, birding, kayaking, and canoeing.

Marketing efforts for the touring and explorer market is segmented into "geographic" markets. The primary focus of geographical marketing efforts is in: Ontario and the Maritimes, market testing is continuing in Western Canada (Alberta) and the North Eastern United States. Currently, developmental marketing programs occur in the United Kingdom, Germany and Japan under the auspices of the Atlantic Canada Tourism Partnership. In addition, there is interest in testing markets in Quebec.

Activity markets are more narrowly focused on travel for specific activities. Marketing messages are focused on destination activities that are designed to target specific audiences, commonly referred to as 'niche' or 'special interest' markets. These markets provide opportunity for growth, representing medium-to-high volume and medium-to-high yield. In these markets, Newfoundland and Labrador has the unique, unusual, distinctive and exclusive product offerings that these markets demand:

- Meetings, Conventions and Incentive Travel
- Hunting and Fishing (in partnership with the Newfoundland and Labrador Hunting and Fishing Product Team)

Strategic Direction – Research and Information

NLTMC Goal: Focus on obtaining market research and information to support effective marketing decision-making and evaluation of results.

The Planning Imperative

The need for additional market research of various types, and the need for more up-to-date, timely information on the characteristics of visitors to Newfoundland and Labrador has been identified as a major priority. Research provides the necessary information on visitor decision making, behavior, awareness and perceptions of the destination. This information, along with detailed profiles of visitors, enables Newfoundland and Labrador Tourism to effectively reach its markets and provide a measure of accountability to the tourism industry.

An enhanced focus on market research is required on a regular basis, including research into market trends, socio-demographic trends and travel trends and their implications for the province's tourism industry. Finally, research efforts must be targeted for evaluation research as a means of achieving the best return on marketing investments of various marketing programs.

Currently, the Marketing Division works closely with the Department's Strategic Planning and Policy Division and numerous private and public partners to monitors visits, emerging trends and any changes in the marketplace.

Objectives

1. Ensure that marketing decisions are research-based.

2. Work with provincial and national tourism partner organizations to obtain and share market research and data.

3. Communicate market research to industry to assist in business and market planning.

4. Undertake evaluation research.

Strategic Direction – Sell the Newfoundland and Labrador First

NLTMC Goal: Champion consistent promotion of the Newfoundland and Labrador brand as a means to "sell the destination first."

The Planning Imperative

During the trip planning process, potential visitors must be motivated to select Newfoundland and Labrador as a destination first. It is only when a destination is selected that people begin their decision-making regarding the particular mix of experiences and the geographic regions which offer these experiences.

The various regions and sectors of Newfoundland and Labrador have a lot to offer travelers, but individually they have difficulty generating adequate exposure to motivate the non-resident visitor to their regions. The main problem is the cost of promoting to people who live thousands of miles away and where awareness is low.

The answer lies in forming partnerships that promote the province first. Collectively, tourism stakeholders can convince people to visit the province by selling the destination first and then the stakeholders can benefit from the influx of visitors who need hotels, retail, restaurants, and entertainment. Using our collective budgets more wisely by combining time and resources to market the destination will result in increased spending, tax dollars, jobs, and investment throughout Newfoundland and Labrador.

As Newfoundland and Labrador moves forward as a globally recognized, unique destination, NLTMC and Newfoundland and Labrador Tourism will play an active and integral role as the primary non-resident marketing force for the province and as an outspoken advocate "to sell Newfoundland and Labrador first."

Objectives

1. Define and communicate the Newfoundland and Labrador brand to support and empower industry stakeholder efforts in marketing Newfoundland and Labrador.

2. Work with industry stakeholders to determine who is best able to initiate coordinated "sell Newfoundland and Labrador first" efforts in activity and geographical markets.

3. Develop and oversee the implementation of a marketing strategy to sell Newfoundland and Labrador first.

Strategic Direction – The Internet Revolution

NLTMC Goal: Use the Internet to enhance and extend our market reach and to position Newfoundland and Labrador as a compelling and unique destination.

The Planning Imperative

Website and e-mail marketing have clearly taken a permanent role in tourism and destination marketing strategies. Indeed, Internet marketing will continue to play an even more important and dynamic role as technology capabilities and user access expands. The use of the Internet for planning a trip among North American overnight leisure trips has increased from 2% in 1995 to 29% in 2000, an increase of 1359%. And, for 57% of North Americans, the Internet is their first choice for planning trips, ahead of advice from friends and relatives.

Like other forms of media and communications directed at the province's markets, Internet marketing efforts must be integrated with an overall marketing strategy and managed to capture the greatest potential benefits. Newfoundland and Labrador Tourism is creating an Internet/Online Marketing Strategy that will integrate the Internet into the overall Newfoundland and Labrador Tourism Marketing Plan. The purpose of the strategy is to generate and maintain traffic to the Newfoundland and Labrador Tourism website, to provide trip planning information to potential tourists, tour operators and other travel influences in our key target audiences, and to establish ongoing relationships with these users to increase visitation to Newfoundland Labrador.

Objectives

1. Ensure that the appropriate infrastructure and resources are in place to support TCR's internet/online marketing strategy.

2. Develop a target market advertising campaign aimed at driving enquiries to the website.

3. Obtain research data to support effective internet marketing campaigns in target markets.

4. Obtain research data to support development of an effective means to 'close the sale'.

5. Ensure the internet strategy has permission-based marketing research capabilities.

Strategic Direction - Season Extension

NLTMC Goal: Expand the Newfoundland and Labrador tourism season to increase the economic benefit.

The Planning Imperative

Capacity limitations and the shortage of quality accommodations in the high season strongly favour increased attention to an extended tourism season. Finding new ways to encourage travel beyond the summer season is key to the long-term viability of the tourism industry. These strategies will have a direct impact on business profitability of our partners and on visitor satisfaction as there are negative impacts if there are shortages of quality accommodations and strain on the outdoor product during the peak summer season. The strategies must build upon our current reputation as an exotic destination for outdoor experiences and create awareness that Newfoundland and Labrador is open for business in the shoulder seasons too.

There are indicators that older and retired travellers are not restricted to traditional summer travel periods and are becoming more discriminating in the types of experiences they desire. There is already a growing fall travel market and special interest markets for icebergs and birds in May and June. In addition, there is great potential in the meetings and conventions market in the shoulder seasons.

Currently, when the peak tourism season ends, many private tourism businesses and publicly run tourism attractions close. The extended season is attractive given the availability of leveraging this infrastructure capacity and the opportunity for competitive pricing.

Objectives

1. Identify compelling shoulder season products and services that lend themselves to an extended tourism season.

2. Develop a strategy to increase government and industry engagement and understanding of the benefits of a lengthened tourism season.

3. Develop a fully integrated marketing strategy based upon good research regarding the best methods and tools to extend the tourism season and for ensuring access to products and services.

4. Work with government to identify solutions and to develop models that would assist government in the operation of government-operated facilities during the extended season.

Strategic Direction - Establish Strategic Partnerships

NLTMC Goal: Establish strategic partnerships to integrate tourism marketing efforts to maximize impact for all stakeholders.

The Planning Imperative

Effective strategic partnerships are required to coordinate and leverage marketing resources to achieve maximum benefit and effectiveness. Currently in the province, there are regional and activity tourism associations who have a vested interest in achieving greater consistency and less duplication of marketing efforts. However, more can be achieved to ensure coordinated and focused activities, including further definition of the role and mandate of the province, of regional tourism associations and of their funding agencies to ensure more productive and efficient business models.

In addition, strategic partnerships are possible with other non-tourism industry associations and sectors which can be pursued to access new marketing channels. For example, through other non-tourism industry partners (e.g., publishers, musicians, writers, craftspeople) and through the export of goods, there may be natural partnerships which can be formed for cross-marketing and other innovations. Newfoundland and Labrador Tourism believes coordinated efforts can also result in increased visitor yield, including the potential yield for pre- and post-conference visitors.

To support strategic partnerships, a renewed focus on best practices, sound policies and effective processes must be developed.

Objectives

1. Ensure partnership support is contingent on marketing activities being consistent with the Province's strategic marketing plan.

2. Explore, identify and pursue non-traditional partnerships that can promote the Newfoundland and Labrador message to our markets.

3. Explore partnerships that will enhance visitor yield while in province.

Monitoring Our Progress

As partners, Newfoundland and Labrador Tourism and NLTMC are accountable for results of the marketing strategy. Annual reports will be provided to industry showing key indicators which monitor how the strategies are being implemented and the results that are being achieved. These reports will evaluate the progress of strategy and re-confirm its objectives.

The evaluation program involves detailed measuring, tracking and analysis of marketing performance and market statistics. Indicators which will be monitored include:

- Total visitors, total jobs, tax revenue and total expenditure
- Industry participation on specific program evaluations
- Market share within Newfoundland and Labrador markets
- Return-on-investment analysis
- Awareness research advertising campaigns
- Unique visits to the website
- Tourism inquiries
- Conversion research
- Length of stay